

	A	B	C	D	E	F	G	H	I
1		Appendix A2 -- NON-U.S. ORGANIZATION							
2								SEAOHUN	
3		Name of Organization		SEAOHUN					
4		Type of Organization		Non-profit					
5		Proposed Activity/Amount		USAID OHW-NG Transition Award					
6		Assessment Conducted by		OHW-NG Objective 3 Global Team					
7		Dates Conducted		5/19/2020					
8		A NUPAS, using the following matrix, should be performed for all non-U.S. awards to assist Agreement Officers in making responsibility determinations through assessments of Nongovernmental Recipients.							
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10		NUPAS Objectives:							
11		1. To determine whether the non-U.S. organization has sufficient financial and managerial capacity to manage USAID funds in accordance with U.S. Government and USAID requirements.							
12		2. To determine the most appropriate method of financing to use under the potential USAID award; and							
13		3. To determine the degree of support and oversight necessary to ensure proper accountability of funds to be potentially provided to the organization.							
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15				SCORING					
16				1	2	3			
17		Capacity and Risk Areas to Review	No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award	WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award	ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award			
18				High Risk	Moderate to High Risk	Low to Moderate Risk			
19				First Criterion: LEGAL STRUCTURE					
20		1.1 Local Organization Definition:							
21		Confirm compliance with USAID "local organization" definition. <i>[Only applicable if the Mission intends to limit competition to local organizations.]</i>	1	Organization does not meet the definition and <u>has no plan</u> or capacity to change.	Organization does not meet the definition and <u>has a plan</u> by which it will meet the definition within 2 – 4 months.	Organization meets the definition and there are <u>some contingencies</u> or conditions that make maintaining such status challenging or uncertain.			
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23		1.2 Legal Requirements:							

	J	K	L	M	N	O	P	Q	R
1	ON PRE-AWARD SURVEY (NUPAS)								
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8	Assessment of a potential awardee's likelihood for compliance with the Standard Provisions for Non-U.S.								
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11	Comments;								
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15									
16	4 (Highest Score)								
17	STRONG CAPACITY No Deficiencies or SW		SCORE	SCORE Based On:			Doc. Reference	Rationale	
18	Low Risk			Desk Review	Virtual Site Visi	Obsn.			
19									
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21	Organization meets the definition and has stable conditions for maintaining such status.		N/A	N/A	N/A	N/A	N/A	N/A	
22	Score		N/A						
23									

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17	Recommendations
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21	Although relevant only to situations where USAID limits competition to "local organizations," this possibility should be considered in the strategic planning process. A "local organization" must be organized under the laws of the recipient country. The individual OHUNs that comprise SEAOHUN are administratively strong and may be able to leverage the regional partnership as part of its "local organization" award.
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	A	B	C	D	E	F	G	H	I
24		Confirm compliance with legal registration requirements and other material licenses, permits, laws and regulations.	2	Organization is <u>not</u> legally registered or registration has <u>expired</u> . Organization lacks one or more required permits or licenses to operate. Organization is <u>not</u> <u>aware</u> of its obligations under required licenses and permits or applicable tax, labor, occupational health and safety, environmental, or other material laws and regulations. Or, the organization is aware but has not yet applied for the permits/licenses.		Organization has applied for legal status and is <u>not yet a legally recognized entity</u> in the country in which it operates. Organization has applied for and has not yet obtained one or more required permits or licenses to operate. Organization <u>is aware</u> of its obligations under required licenses and permits or applicable tax, labor, occupational health and safety, environmental, or other material laws and regulations.		Organization is legally registered and has all required permits and licenses to operate. Organization is aware of its obligations under its licenses and permits and applicable tax, labor, occupational health and safety, environmental, and other material laws and regulations; is in <u>substantial compliance</u> with all such legal obligations. The organization is taking (or plans to take,) corrective action where needed.	
25	See Guidance for definitions of "Deficiency," "Significant Weakness," and "Weakness." SW = Significant Weakness(es).								
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	J	K	L	M	N	O	P	Q	R
24	Organization is legally registered; has, and is fully compliant with, all required permits and licenses to operate; is aware of its tax status and is fully compliant with applicable tax, labor, occupational health and safety, environmental, and other material laws and regulations relevant to its operations.		3.00	2.00	3			<p>1. SEAOHUN Original Registration 2014</p> <p>2. Document labeled both "Foundation Regulations" or "Articles of Association"</p> <p>3. Document titled "Certificate of Registration for the Entire Body of Foundation Board Members/Change of Foundation Board Members/Amendment of Foundation Regulations"</p> <p>4. Document titled</p>	<p>under the laws of Thailand, but it is not fully compliant with tax and labor laws, or there is doubt as to its level of compliance (need to check final four approvals). Although SEAOHUN's Executive Board is comprised of representatives from universities in the network, the decision-making authority for SEAOHUN is legally vested with the Foundation Board, comprised of all Thai nationals. There is no written or uniformly understood process for selecting the Thai nationals on the Foundation Board. Any decision by the Foundation Board to act in contravention of the Executive Board's decisions would be the legally respected one under Thai law. The original structure, which has non-Thais without work permits as Foundation Board members, exposed SEAOHUN to penalties up to ฿20,000 for unauthorized work and caused SEAOHUN to be blacklisted from employing foreigners in the future. SEAOHUN's auditor changed from 2016 to 2018 and the 2018 Innovance Partners report emphasizes the need for the Foundation Board to have a dedicated team to analyze, verify, and report annual statements and tax documents to Thai authorities. According to its 2018 audit, NB Accounting stated that the "financial statements of SEAOHUN Foundation for the year ended December 31, 2017 were audited by another auditor who</p>
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26	Score		3.00						

	A	B	C	D	E	F	G	H	I
27	1.3	Organizational Structure:							
28		Confirm that the organization's charter, by-laws and other foundational/operational documents support its mission and goals	3	Organization has <u>no formal organizational structure</u> ; there are clearly inadequate or entirely missing definitions of departmental or functional responsibilities and lines of responsibility; lines of communication among departments or key functions are weak. The organization has no defined mission.		Organization has <u>less than an adequate organizational structure</u> ; roles and responsibilities of departments or functions and lines of communication are not well defined, and the organization does not have a defined mission.		Organization has an <u>adequate organizational structure</u> , adequately designed and relevant to its mission and goals, roles and responsibilities of departments or functions and lines of communication are adequately defined and appropriate.	
29	1.4	Governance:							

	J	K	L	M	N	O	P	Q	R
27									
28	Organization has a strong organizational structure, well designed and highly relevant to its mission and goals, roles and responsibilities of departments or functions and lines of communication are well-defined and highly appropriate.		2.00	2.00	2			<p>1. SEAOHUN Original Registration 2014</p> <p>2. Document labeled both "Foundation Regulations" or "Articles of Association"</p> <p>3. Document titled "Certificate of Registration for the Entire Body of Foundation Board Members/Change of Foundation Board Members/Amendment of Foundation Regulations"</p> <p>4. Document titled</p>	<p>Strategic Plan, the mission of SEAOHUN is to "To develop a resilient and competent One Health workforce by leveraging education, research, and training provided by university networks in Southeast Asia." Its vision is "A regional network of universities in Southeast Asia generating social and intellectual excellence on One Health."</p> <p>The organizational structure of SEAOHUN poses challenges to fulfilling its mission or vision. The regional entity is officially registered as a Foundation in Thailand (from August, 2014). It has two governing Boards - an Executive Board and a Foundation Board - and its secretariat office located at the Faculty of Veterinary Medicine, Chiang Mai University. The Executive Board is comprised of representatives from member universities, two from each country. Until approval is given by higher Thai authorities (check December 2019 document), the Foundation Board is comprised of 4 members – one from each founding country. The Foundation Board is necessary for the secretariat's legal status and requirements in Thailand. The terms of Foundation Board members is 4 years, while the terms of Executive Board members is 2 years, with a possibility for a renewal for one year.</p> <p>Separately, there are country OHUNs, each of which has its own governance structure and none of which have a formalized mechanism</p>
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	<p>1. Members of the Executive Board should have a formalized role as members of their OHUN Boards/Steering Committees.</p> <p>2. NCO Coordinators should be added to the Executive Board preferably as non-voting members.</p> <p>3. Executive Director should participate in OHUN board meetings as much as possible.</p> <p>4. Establishment of mechanisms through which NCO Coordinators communicate with OHUN Board/Steering Committee, OHUN Chairperson, and other members of the Executive Board (including the Executive Director) to identify regional needs and interests of network members and take them into consideration during strategy and planning.</p> <p>5. Coordinate details of OHUN governance such as method of selection of an OHUN Chairperson, method of selection of a representative to the SEAOHUN Executive Board, selection of other non-founding universities to add to the OHUN Board, and procedures to select subsequent NCO Coordinators and to have personnel from other universities represented in the NCO are for each OHUN Board to decide, under the guidance of the Secretariat Executive Director.</p>
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	A	B	C	D	E	F	G	H	I
30		Confirm that the organization emphasizes the importance of and practices good corporate governance in all key areas. <i>[Refer to OECD Principles of Corporate Governance: right and equitable treatments of shareholders (only used for public organizations), interests of other stakeholders, role and responsibility of the board, integrity and ethical behavior, disclosure and transparency.]</i>	4	Management of the organization <u>does not</u> adequately emphasize and the organization does not practice good corporate governance in key areas. Deficiencies and SW in key areas of corporate governance are not remediable prior to award.		There is <u>marginal involvement</u> by organization's management in addressing the importance of good corporate governance in key areas. Deficiencies and SW** in one or more key areas of corporate governance may not be easily remediable.		Organization's management <u>addresses</u> the importance of good corporate governance in key areas, and there are a few weaknesses in one or more areas of corporate governance. Those are remediable.	
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32		1.5 Control Environment:							

	J	K	L	M	N	O	P	Q	R
30	Organization's management regularly and consistently emphasizes the importance of and practices good corporate governance (as broadly defined) in all key areas.		2.00	1.00	2			<p>1. SEAOHUN Original Registration 2014</p> <p>2. Document labeled both "Foundation Regulations" or "Articles of Association"</p> <p>3. Document titled "Certificate of Registration for the Entire Body of Foundation Board Members/Change of Foundation Board Members/Amendment of Foundation Regulations"</p> <p>4. Document titled</p>	<p>The fiduciary responsibilities of each level of board governance requires more clarity. SEAOHUN Executive Board members are fiduciaries for the regional organization/entity in addition, if applicable, to their OHUN boards.</p> <p>SEAOHUN's governance structure has important inconsistencies with the OECD Principles of Corporate Governance specified for reference in the NUPAS survey: right and equitable treatment of stakeholders, role and responsibility of the board, integrity and ethical behavior, disclosure and transparency. OECD Principles of Corporate Governance relevant to boards are found at Section VI. Analyzed with reference to the OECD Principles Section VI.D.-F, the following characteristics of SEAOHUN governance may deserve review before submission of the NUPAS application.</p> <p>OECD Principle VI.D.1. The board holds responsibility for reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</p> <p>The SEAOHUN Board has responsibility for</p>
31	Score		2.00						
32									

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	<p>1. The Executive Board should be expanded to include non-academics who can help identify and provide access to resource mobilization opportunities at their organizations (which can include government, international organizations, NGOs, or private sector companies) as well as other non-academic organizations.</p> <p>2. The Executive Board should select qualified members to serve on the Management Committee, which would oversee the audit, tax, and financial statement responsibilities for SEAOHUN, and prepare those documents for the Foundation Board to formally submit.</p> <p>3. Signed conflict of interest disclosures should be collected from all members with a fiduciary relationship to the SEAOHUN entity: Executive Board, Foundation Board, and Executive Director, as well as employees.</p> <p>4. Competencies related to fund-raising, management, auditing should be integrated into the country-level selection process.</p>
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	A	B	C	D	E	F	G	H	I
33		Confirm that adequate safeguards exist within the organization to ensure fidelity to fiduciary obligations and prevent officials from obtaining financial or non-financial benefits on the basis of decisions made or actions taken in their official capacity.	5	Board does not have TOR or a clear understanding of its key functions. Board term limits are not defined or are unreasonable. There is no approved process for electing/ appointing/ removing Board members and officers. Organization has no or <u>negligible</u> fiduciary risk controls covering Board members, officers, and employees; there are no credible mechanisms for enforcement of such policies and controls. The control environment is so deficient it presents an unacceptable level of risk.		Board has <u>incomplete</u> or otherwise inadequate TOR and lacks an adequate understanding of its key functions; key functions are carried out <u>inconsistently</u> . Board term limits are not defined or are unreasonable. No approved process for electing, appointing or removing Board members and officers is in place. Organization has <u>inadequate</u> fiduciary risk controls covering Board members, officers, and employees; there are inadequate mechanisms for enforcement of such policies and controls.		Board has adequate TOR and an <u>adequate understanding</u> of its key functions and those functions are carried out <u>generally well</u> . Board term limits are defined and reasonable. Board members and officers are elected/appointed/ removed in an acceptable manner. Organization has fiduciary risk controls covering Board members, officers, and employees; <u>adequate</u> mechanisms for enforcement of such policies and controls are in place.	
34									
35	Average								

	J	K	L	M	N	O	P	Q	R
33	Board has clear TOR** and a good understanding of its key functions and those key functions are carried out consistently well. Board term limits are defined and reasonable. Board members and officers are elected/appointed / removed in accordance with applicable laws and approved, written procedures. Organization has fiduciary risk controls covering Board members, officers, and employees; effective mechanisms for enforcement of such policies and controls are in place.		2.00	1.00	2			<p>1. SEAOHUN Original Registration 2014</p> <p>2. Document labeled both "Foundation Regulations" or "Articles of Association"</p> <p>3. Document titled "Certificate of Registration for the Entire Body of Foundation Board Members/Change of Foundation Board Members/Amendment of Foundation Regulations"</p> <p>4. Document titled</p>	<p>SEAOHUN has several fiduciary risk controls covering board members, officers and employees. Pages 6-7 of Employee Manual (applicable to SEAOHUN employees only; the Executive Director is designated an employee at Section 3.1.1. p. 10) address conflicts of interest generally and the expectations for fiduciary behavior. The Procurement Manual (pp. 6-7) provides that if a vendor or service provider is a friend or relative of the Executive Director, the Chairperson shall be notified and approved of such procurement and "The internal control principle shall be adhered to in all procurement procedures. The Operations Manager and Administrative Officer shall assure that the procurement manual is understood by relevant staff members. Procurement Manual shall be reviewed/ updated by the Operations Manager and Finance Unit from time to time, to ensure that the internal control systems are in place and enforced at all times."</p> <p>There is widespread confusion, even among board members, as to roles and responsibilities of Executive Board and Foundation Board (the bodies as well as individual board members). Furthermore, the existence of two boards has led to situations where one board has overreached its authority. This challenge limits SEAOHUN's status as a self-governing network. Root</p>
34	Score		2.00						
35	Age Score for LEGAL STRUCTURE		2.25						

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	<p>1. Draft clear terms of reference for new Board members and provide for a comprehensive onboarding process</p> <p>2. Collect signed conflict of interest forms from all members of Executive Board, Foundation Board, and Executive Director</p>
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	A	B	C	D	E	F	G	H	I
1	Capacity and Risk Areas to Review		No.	SCORING					
2				1	2	3			
3				INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award	WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award	ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award			
4				High Risk	Moderate to High Risk	Low to Moderate Risk			

	J	K	L	M	N	O	P	Q	R
1									
2	4 (Highest Score)								
3	STRONG CAPACITY No Deficiencies or SW		SCORE	SCORE Based On:				Doc. Ref	REMARKS/ RECOMMENDATIONS
4									
	Low Risk			Desk Review	tual Site V	Obsn.	Test		

	A	B	C	D	E	F	G	H	I
5	LEMENT AND INTERNAL CONTROLS SYSTEMS								
6	2.1	Banking Relationship and Accounts							
7		Confirm the organization has a banking relationship with a registered commercial bank in country, and that the organization has adequate policies, procedures and practices in place to ensure regular reconciliation of bank accounts with the accounting records.	6	Organization has <u>no banking</u> relationship. Organization uses the bank account of a senior employee and funds are commingled with personal funds.		Organization has no banking relationship, and <u>plans to establish</u> a bank account in a registered banking institution prior to an award.		Organization has a bank account in a registered banking institution and the account is <u>adequate</u> for its mission/ goals. Opening and maintaining additional accounts limited to specific purposes may be beneficial.	
8				Bank accounts are rarely or never reconciled.		Bank accounts are periodically reconciled. Documentary evidence does not exist to determine, review and approve monthly bank reconciliations.		Bank accounts are reconciled on a monthly basis. Adequate documentary evidence exists to determine, review and approve monthly bank reconciliations.	
9				Overall, the organization's policies, procedures and practices in this area are not adequate.		Policies <u>do not</u> stipulate requirements for regular bank reconciliation. <u>Less than adequate</u> action is taken on outstanding items over 60 days.		Policies stipulate <u>adequate</u> requirements covering regular bank reconciliation. Adequate action is taken on outstanding items over 60 days.	
10									
11	2.2	Accounting/ Bookkeeping System							
12		Confirm that the organization has an accounting/ bookkeeping system, and that financial transactions are entered into the system on a consistent basis in accordance with applicable standards, policies and procedures. <i>Note: For very small organizations and awards, a manual (handwritten in books) double entry accounting system may be acceptable provided it is established and used regularly and consistently in accordance with acceptable accounting principles, standards, policies, procedures, and practices and is regularly kept up-to-date, reconciled and reviewed by appropriately trained, experienced, and otherwise competent personnel.</i>	10	Organization does <u>not</u> have an adequate accounting/ bookkeeping system.		Organization's accounting/ bookkeeping system is weak. Financial transactions are not entered into the system on a regular or consistent basis. The bookkeeping system lacks some functionality to automatically reconcile summaries of transactions to the detailed transactions.		Organization has an <u>adequate</u> double entry accounting/ bookkeeping system. Financial transactions are entered into the system on a regular basis. The bookkeeping system has some functionality to automatically reconcile subsidiary ledgers to the main ledger.	
13									
14	2.3	Chart of Accounts, General Ledger and Financial Statements							

	J	K	L	M	N	O	P	Q	R
5									
6									
7	Organization has bank accounts in a registered commercial banking institution that are <u>appropriate</u> for its mission/goals.		3.25	3.00	3.50			Finance manual, accounting system records	Bangkok Bank Secretariat reported delay in setting up a USD account. New USD account still pending due to inability to travel and need for chairman to be physically at the bank to complete the process. Does not seem to be negatively impacting project implementation, but creates difficulty in exchange rates.
8	Bank accounts are accurately reconciled on a monthly basis. Documentary evidence exists to show the dates the monthly bank reconciliations were prepared, and who prepared, reviewed and approved them, with corresponding signatures affixed. <i>[Note: This includes credible financial management records sufficient for internal and external audit trail purposes.]</i>		3.50	3.00	4.00			Finance manual, accounting system records	
9	Polices stipulate <u>sound</u> requirements covering regular bank reconciliation. <u>Appropriate</u> action is taken on any outstanding item over 60 days.		2.50	2.00	3.00			Finance manual, accounting system records	Finance manual does not address required actions for outstanding items or the timeline for these actions.
10	Average Score		3.08	2.67	3.50				
11									
12	Organization has a <u>reliable</u> double entry accounting/bookkeeping system that meets its needs and is otherwise appropriate. Financial transactions are entered into the system on a daily basis. The bookkeeping system has functionalities to automatically reconcile subsidiary ledger to the main ledger.		2.00	1.00	3.00			Finance manual, accounting system records	Transactions entered into Quickbooks once per week. Receive bank book once per week and reconciles in Excel. No functionality to automatically reconcile.
13	Score		2.00	1.00	3.00				
14									

Second Criterion

	A	B	C	D	E	F	G	H	I
15		Confirm that the organization has a chart of accounts and corresponding General Ledger that are used to prepare financial statements on a regular and consistent basis. <i>[Note: Request the Chart of Accounts to perform a detailed review to ensure that the organization has a logical sequence of accounts, assets, liabilities and owners' equity. Confirm there is a code to capture "unallowable" costs.]</i>	11	Organization <u>does not</u> have a chart of accounts or General Ledger or those are not adequate for purposes of the award.		Organization has an incomplete and otherwise <u>weak</u> chart of accounts and General Ledger.		Organization has a chart of accounts and corresponding General Ledger that is <u>adequate</u> .	
16				The General Ledger numbering system does not follow applicable statutory country requirements (if any). Material financial transactions are not recorded regularly and consistently in accordance with approved accounting standards.		The General Ledger numbering system does not follow all applicable statutory country requirements (if any). Material financial transactions are not recorded regularly and consistently in accordance with approved standards.		The General Ledger numbering system follows statutory country requirements (if any) in all material respects. Material financial transactions are recorded regularly and consistently in accordance with approved and otherwise adequate accounting standards, principles and practices.	
17				Financial Statements are not produced, or if produced, are not derived from the General Ledger (trial balance) in accordance with acceptable accounting standards.		Financial Statements are not derived from the General Ledger (trial balance) in an acceptable manner. Financial Statements are not prepared on a consistent basis in accordance with approved accounting standards.		Financial Statements are derived from the General Ledger (trial balance) in an adequate manner. Financial Statements are prepared in accordance with national standards.	
18									
19	2.4	Variance Analysis (Budget to Actual Cost)							
20		Confirm that the organization has adequate policies, procedures and practices in place to ensure regular variance analysis (budget to actual cost) of program and operating financial data.	14	Organization <u>does not</u> have any or adequate systems to analyze actual data versus budget data.		Financial reports are accompanied by <u>incomplete</u> or otherwise weak budget data and variance analysis (budget to actual cost) reports.		<u>Adequate</u> financial reports are accompanied by budget data and variance analysis (budget to actual cost) reports.	
21				Management is unable to articulate the necessity of variance analysis or to institutionalize the process.		Program managers <u>do not</u> have the necessary knowledge, skills, and abilities to objectively review the reports and take corrective action.		Program managers <u>generally</u> review financial reports and take corrective action.	
22				Overall, the organization <u>does not</u> have adequate policies, procedures and practices in place.		The organization's policies, procedures and practices for variance analysis are <u>weak</u> .		The organization has <u>adequate</u> policies, procedures and practices in place for adequate variance analysis (budget to actual cost) of program and operating financial data.	
23									
24	2.5	Allowable and Unallowable Cost							

	J	K	L	M	N	O	P	Q	R
15	Organization has a chart of accounts and corresponding General Ledger that meet its needs and are otherwise <u>appropriate</u> .		3.63	3.50	3.75			Chart of accounts	It is clearly laid out and intelligent
16	The General Ledger numbering system follows statutory country requirements (if any) with no exceptions. All financial transactions are recorded regularly and consistently in accordance with approved and otherwise appropriate accounting standards, principles and practices.		3.50	3.50	3.5			Ledger	Team was unclear (as am I) as to whether the numbering system follows statutory country reqs. Audit firm seems fine with it all, but it would be good for the accountant knew why it was numbered as is.
17	Financial Statements are regularly and consistently derived from the General Ledger (trial balance). Financial statements are prepared in accordance with applicable national and international standards.		3.25	3.00	3.5			financial statements	Translation problems here, but it's clear that the systems and processes in place are adequate to the challenge and running well.
18	Average Score		3.46	3.33	3.58				
19									
20	<u>Appropriate</u> financial reports are accompanied by budget data and variance analysis (budget to actual cost) reports.		2.00	2.00	2.00			Finance manual, accounting system records	No written policy regarding variance analysis for budget versus actual. Review approved budgets and remaining balances when approving purchases or other expenses, but no higher-level variance analysis happening.
21	Program managers <u>consistently</u> review financial reports and take corrective action.		3.00	3.00	3.00			Finance manual, accounting system records	
22	The organization has <u>appropriate</u> policies, procedures and practices in place to ensure appropriate regular variance analysis (budget to actual cost) of program and operating financial data.		1.00	1.00	1.00			Finance manual, accounting system records	No written policy regarding variance analysis for budget versus actual.
23	Average Score		2.00	2.00	2.00				
24									

	A	B	C	D	E	F	G	H	I
25		Confirm that the organization has adequate policies, procedures and practices in place to segregate allowable and unallowable and to otherwise satisfy donor requirements. <i>[Note: The system can be as simple as a spreadsheet.]</i>	17	Organization's finance personnel or management <u>do not have</u> an adequate understanding or are unable to articulate the concepts surrounding allowable or unallowable cost.		Organization finance/program personnel have <u>weak</u> understanding of the concept of allowable and unallowable costs from a donor restriction perspective.		Organization finance/program personnel have an <u>adequate</u> level of understanding of the concept of allowable and unallowable costs from a donor restriction perspective.	
26				Organization does not have adequate policies, procedures and practices in place to segregate allowable and unallowable cost nor to otherwise satisfy other donor requirements.		The ability of the organization to track unallowable cost is <u>weak</u> .		Organization has an <u>adequate</u> system (formal or informal) to adequately track unallowable cost.	
27									
28	2.6	Direct and Indirect Costs							
29		Confirm that the organization's accountants/bookkeepers have an understanding of direct costs and indirect costs (including cost allocation principles).	18	Organization's accountants/bookkeepers <u>do not understand</u> direct costs, indirect costs or cost allocation principles.		Organization's accountants/bookkeepers have a <u>weak</u> understanding of direct costs, indirect costs and cost allocation principles.		Organization's accountants/bookkeepers have an <u>adequate</u> understanding of direct costs, indirect costs and cost allocation principles.	
30				Organization's accounting records are maintained by personnel with <u>negligible</u> knowledge about direct and indirect costs.		Organization's accountants/bookkeepers have a <u>weak</u> understanding of the concept of "cost objectives" in relation to intermediate and final "cost objectives."		Organization's accountants/bookkeepers have an <u>adequate</u> understanding of the concept of "cost objectives" in relation to intermediate and final "cost objectives."	
31				The overall capacity of the organization's accountants/bookkeepers to accurately allocate indirect cost to grants, projects, and other cost objectives according to causal beneficial relationships is <u>negligible</u> .		Organization's accountants/bookkeepers ability to accurately allocate indirect cost to grants, projects, and other cost objectives according to causal beneficial relationships is <u>weak</u> .		Organization's accountants/bookkeepers can <u>accurately</u> allocate indirect cost to grants, projects, and other cost objectives according to causal beneficial relationships.	
32				The organization <u>lacks the ability</u> to develop or acquire the minimum acceptable level of capacity in accumulating direct and indirect costs by project.		Organization's capacity to accumulate direct and indirect costs by project in an acceptable manner is <u>weak</u> .		Organization has <u>adequate</u> capacity to accumulate direct and indirect costs by project.	
33									
34	2.7	Payments - Segregation of Duties							
35		Confirm that the organization has policies, procedures and practices in place regarding segregation of duties to ensure that funds above a certain threshold can only be disbursed with dual signatures and are supported by documentation.	7	There are Deficiencies and SW in the payments cycle that lack proper segregation of duties.		Payments are <u>not supported</u> by complete documentation (e.g. missing vendor invoices).		Payments are supported by adequate documentation. Policies, procedures and practices may fall short of best practices.	
36				Written policies and procedures do not exist, or those that do, are clearly <u>inadequate</u> .		Adequate written financial practices (e.g. internal controls and audit) are absent or <u>deficient</u> .		Approved policies and procedures are <u>generally</u> followed.	

Second Criterion

	J	K	L	M	N	O	P	Q	R
25	Organization finance/program personnel have an <u>appropriate</u> level of understanding of the concept of allowable and unallowable costs from a donor restriction perspective.		3.50	3.00	4.00			Finance manual, accounting system records	
26	Organization has an <u>appropriate</u> system to track unallowable cost. Organization has effective policies, procedures and practices in place to ensure clear lines of communication between finance and program staff relative to allowable and unallowable cost.		2.50	2.00	3.0			Finance manual, accounting system records	Examples of unallowable costs are identified in financial manual, but there is no reference to the Uniform Guidance (only somewhat vague references to sponsor requirements) or how to identify, track, communicate, and correct unallowable costs that are applied to project funds in error.
27	Average Score		3.00	2.50	3.50				
28									
29	Organization's accountants/bookkeepers have an <u>appropriate</u> understanding of direct costs, indirect costs and cost allocation principles.		2.00	2.00	2.00			Finance manual, accounting system records	It is recommended to engage in training to improve understanding of direct costs, indirect costs, cost allocation principles, and cost objectives
30	Organization's accountants/bookkeepers have an <u>appropriate</u> understanding of the concept of "cost objectives" in relation to intermediate and final "cost objectives."		2.00	2.00	2.00			Finance manual, accounting system records	
31	Organization's accountants/bookkeepers have the <u>requisite level</u> of knowledge, skills and experience in this area to accurately allocate indirect cost to grants, projects, and other cost objectives according to causal beneficial relationships.		3.00	3.00	3.00			Finance manual, accounting system records	
32	Organization's skill in accumulating direct and indirect costs by project in an appropriate manner is <u>strong</u> .		3.00	3.00	3.00			Finance manual, accounting system records	
33	Average Score		2.50	2.50	2.50				
34									
35	There are well thought out and <u>documented</u> policies, procedures and practices that safeguard the payment process.		3.50	3.00	4.00			Finance manual, accounting system records	
36	Approved policies and procedures are <u>consistently</u> followed.		3.00	2.00	4.00			Finance manual, accounting system records	Adequate separation

Second Criterion

	A	B	C	D	E	F	G	H	I
37									
38	2.8	Accounting Cycle - Segregation of Duties							
39		Confirm that the organization has adequate policies, procedures and practices in place to ensure proper segregation of duties associated with the accounting cycle. <i>[Note: The adequacy of segregation of duties will vary according to the size of the organization and complexity of its operation.]</i>	9	Organization does not have the <u>minimum</u> acceptable set of policies, procedures and practices to ensure proper segregation of duties in relation to the management and disbursement of funds.		The organization does <u>not</u> have <u>adequate</u> policies, procedures and practices in place for purposes of the award to ensure proper segregation of duties associated with the accounting cycle. Funds are disbursed without prior approvals and documentation is inadequate.		Organization has an <u>adequate</u> delegation of authority system to ensure that no one person does all the work relating to a full accounting cycle transaction. Approval is usually obtained prior to disbursement of funds and approvals are adequately documented.	
40									
41	2.9	Financial Records Management							
42		Confirm that the organization has adequate policies, procedures and practices in place to ensure proper filing and management of financial records and their ease of access.	15	Organization does not have adequate policies, procedures and practices in place to ensure proper filing and management of financial records and their ease of access.		Organization has <u>incomplete</u> and relatively weak policies, procedures and practices to safeguard financial records. <i>[The filing system operates on an ad-hoc, informal basis.]</i>		Organization has adequate policies, procedures and practices in place to safeguard important documents including financial records. <i>[The filing system is not necessarily centralized or optimal.]</i>	
43				Organization has no contingency plan that includes procedures for backup/recovery of financial data for financial and operational continuity.		Management does not require filing and records management practices. Organization has a weak contingency plan that has significant gaps in procedures for backup/recovery of financial data for financial and operational continuity.		Management supports <u>adequate</u> filing and records management practices throughout the organization. Organization has an adequate contingency plan in place for financial and operational continuity.	
44									
45	2.10	Sources of Funding							
46		Confirm that the organization has other activities/programs and/or potential sources of funding adequate for continuity of operations during the period of the award and for long term sustainability. <i>[Note: This system can be as simple as having a separate bank account for each funding source.]</i>	16	Organization does not have procedures in place to track sources of funding and lacks the capacity to develop and implement such procedures within a reasonable timeframe.		Organization does <u>not</u> have a system in place to track sources of funding. Organization's bookkeeping system tracks sources of funding through one revenue account.		Organization tracks the sources of funding through offline records. Organization's accounting/bookkeeping system <u>adequately</u> tracks sources of funding.	
47				The level of professional knowledge, skills and experience of finance personnel in job cost accounting, fund accounting, etc. is <u>negligible</u> .		The level of professional knowledge, skills and experience of finance personnel in job cost accounting, fund accounting, etc. is <u>weak</u> .		Finance personnel have an <u>adequate</u> level of professional knowledge, skills and experience in job cost accounting, fund accounting, etc.	

	J	K	L	M	N	O	P	Q	R
37	Average Score		3.25	2.50	4.00				
38									
39	Organization has a sound and well documented delegation of authority system appropriate to the size of the organization to ensure that no one person does all the work relating to a full accounting cycle transaction. Organization has sound policies, procedures and practices to ensure that all approvals are documented prior to cash disbursements.		3.00	2.00	4.00			Finance manual, accounting system records	
40	Score		3.00	2.00	4.00				
41									
42	Organization has sound policies, procedures and practices in place to safeguard important documents including financial records. <i>[This includes offsite storage of copies of financial records.]</i>		2.75	3.00	2.5			Finance manual, accounting system records	Locks needed
43	Management emphasizes and supports standard, practical, efficient and effective filing and records management practices. Organization has a contingency plan for the organization that includes procedures for backup/recovery for financial and operational continuity.		2.75	3.00	2.5			Finance manual, accounting system records	written policy for records retention exists, but computer backups needed. Quickbooks desktop is used, and it's backed-up as often as a regular office computer... which is to say, not often enough.
44	Average Score		2.75	3.00	2.50				
45									
46	Organization has an effective system in place to track sources of funding.		3.00	3.00	3			Finance manual, accounting system records	Seems to be adequate combination of timecards, etc.; however, there is no formal procedure in place.
47	Finance personnel have an appropriate level of professional knowledge, skills and experience in job cost accounting, fund accounting, etc.		3.00	3.00	3			Finance manual, accounting system records	Adequate, but hard to assess for us foreigners with the language barrier

	A	B	C	D	E	F	G	H	I
48				Organization has <u>insufficient</u> sources of funding from other activities /programs and/or from other alternative potential sources of funding.		Organization has <u>weak</u> sources of funding from other activities /programs. Organization has weak business development practices in place.		Organization has <u>adequate</u> sources of funding from other activities /programs and/or from other potential sources of funding. Management articulates the importance diversification of sources of funding. Organization has adequate practices in place for business development and it has a satisfactory reputation for <u>satisfactory</u> work.	
49									
50	2.11	Financial Reporting							
51		Confirm that the organization has adequate written policies, procedures and practices in place to produce reliable monthly and year-to-date financial statements (income and expenditure report and balance sheet).	12	Organization <u>does not have</u> the minimum acceptable set of written policies, procedures and practices in place to produce reliable monthly financial statements (income and expenditure report).		Financial statements are seldom reviewed by management. Management seldom takes corrective actions based its review of financial statements.		Organization produces reasonably <u>adequate</u> financial statements on a regular basis that meet the needs of the organization. Financial statements are reviewed by management. Management <u>generally</u> takes corrective actions based on its review of financial statements.	
52									
53	2.12	Audit and Review of Financial Statements							
54		Confirm that the organization has adequate policies, procedures and practices in place to ensure that its financial statements are audited or reviewed on a regular basis by a third party recognized under the laws of the country such as a chartered accounting firm or regulatory body or both.	13	Financial statements are <u>not usually</u> audited or reviewed.		Organization has incomplete and otherwise weak policies, procedures and practices in place. Financial statements are <u>seldom</u> audited or reviewed on a regular basis by a third party recognized under the laws of the country.		Organization has adequate policies, procedures and practices in place. Its financial statements are audited or reviewed on a <u>regular</u> basis by a third party recognized under the laws of the country.	
55				Organization produces internal financial statements with limited or no Notes to the Financial Statements.		Organization has received a Qualified Opinion, Adverse Opinion, or Disclaimer of Opinion.		When financial statements are audited, a Qualified Opinion is acceptable as long as the audit issues raised are not material to financial management and pose either no or very low fiduciary or performance risk.	

	J	K	L	M	N	O	P	Q	R
48	Organization has <u>good sources</u> of funding from other activities/programs and/or from other potential sources of funding. Management clearly <u>articulates</u> the importance of diversification of sources of funding. Organization has good practices in place for business development and has a reputation for <u>good</u> work.		2.25	2.00	2.5			Finance manual, accounting system records	business development is not a priority currently.
49	Average Score		2.75	2.67	2.83				
50									
51	Organization consistently and accurately produces <u>reliable</u> monthly financial statements from the General Ledger in accordance with its written procedures. The financial statements are reviewed by organization's management and corrective actions are taken when necessary.		4.00	3.00	4			Finance manual, accounting system records	Seems fine and seems to be working.
52	Score		4.00	3.00	4.00				
53									
54	Organization has appropriate policies, procedures and practices in place. Its financial statements are audited <u>annually</u> by a third party recognized under the laws of the country.		2.75	2.50	3			Finance manual, accounting system records	
55	Audited financial statements receive an unqualified (unmodified) audit opinion (no Qualified Opinion, Adverse Opinion, or Disclaimer of Opinion).		2.75	2.50	3			Finance manual, accounting system records	

	A	B	C	D	E	F	G	H	I
56				If Financial Statements were to be audited, an audit firm would be unable to issue an opinion due to the quality of the financial records. If audited, Organization would most likely receive, a Qualified Opinion, Adverse Opinion, or Disclaimer of Opinion. An auditor, accountant, regulatory body or other third party has communicated a "Deficiency" or "Significant Deficiency" in internal control that cannot be easily remedied.		An auditor, accountant, regulatory body or other third party has communicated a "Deficiency" or "Significant Deficiency" in internal control. Management is unable to represent that no Deficiency or Significant Deficiency in internal control presently exists.		An auditor, accountant, regulatory body or other third party has communicated any "Deficiency" or "Significant Deficiency" in internal control. Management was able to represent that no Deficiency of Significant Deficiency in internal control presently exist.	
57				Review of the financial statements reveals "Going Concern Issues."		Organization's policies, procedures and practices for managing and closing audit findings and recommendations are weak.		Organization has adequate policies, procedures and practices in place for managing and closing audit findings and recommendations.	
58									
59	2.13	Financial Management Personnel							
60		Confirm that the individuals responsible for discharging accounting and other financial management functions within the organization have the requisite accounting and other financial management qualifications and experience.	8	The day-to-day financial management is done by a person with neither formal accounting training nor finance related experience.		The accountant/ bookkeeper is <u>not</u> professionally trained as an accountant and has a limited understanding of management and financial accounting standards, principles and practices.		The accountant/ bookkeeper is <u>adequately</u> trained and has adequate qualifications and experience.	
61				The individuals responsible for discharging accounting and financial management functions <u>do not have the minimum</u> acceptable level of qualifications and experience needed.		The accountant/ bookkeeper is unable to articulate and apply important concepts, principles and practices and lacks the technical capacity to prepare and monitor operational and project budgets.		The accountant/ bookkeeper is able to articulate and apply basic concepts, principles and practices of management and financial accounting and reporting. The accountant/ bookkeeper has <u>adequate</u> capacity to prepare and monitor budgets including adequate cash flow projections and statements.	
62									
63	Average Score for FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEMS								

	J	K	L	M	N	O	P	Q	R
56	No auditor, accountant, regulatory body or other third party has communicated any "Deficiency" or "Significant Deficiency" in internal control.		3.25	3.00	3.5			Finance manual, accounting system records	
57	Organization has appropriate policies, procedures and practices in place for managing and closing audit findings and recommendations.		3.00	2.50	3.5			Finance manual, accounting system records	No findings means this hasn't happened; however, it seems like corrective action would take place.
58	Average Score		2.94	2.63	3.25				
59									
60	The accountant/ bookkeeper has <u>professional</u> accounting qualifications that clearly meet the needs of the organization.		4.00	4.00	4.00			Finance manual, accounting system records	Accounting staff have strong qualifications (education, experience) to meet the needs of SEAOHUN.
61	The accountant/ bookkeeper has strong ability to apply concepts, principles and practices of management and financial accounting and reporting. The accountant/ bookkeeper has <u>strong</u> technical capacity and experience to prepare and monitor appropriate budgets including cash flow projections and statements.		3.50	3.00	4.00			Finance manual, accounting system records	Operations Manager in particularly identified as having strong abilities to apply concepts and principles of practice, however the need for targeted capacity building (subawards management) has been identified but does not impact assessment of SEAOHUN Secretariat.
62	Average Score		3.75	3.50	4.00				
63			2.96						

	A	B	C	D	E	F	G	H	I
1	Capacity and Risk Areas to Review			SCORING					
2				1	2	3			
3			No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award	WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award	ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award			
4				High Risk	Moderate to High Risk	Low to Moderate Risk			

	J	K	L	M	N	O	P	Q	R
1									
2	4 (Highest Score)								
3	STRONG CAPACITY No Deficiencies or SW		SCORE	SCORE Based On:				Doc. Ref	REMARKS/ RECOMMENDATIONS
4	Low Risk			Desk Review	tual Site Vi	Obsn.	Test		

	A	B	C	D	E	F	G	H	I
5	PROCUREMENT SYSTEMS								
6	3.1	Procurement Policies, Procedures and Practices							
7		Confirm that the organization has procurement policies, procedures and practices in place that are adequate. <i>[Note: Procurement policies, procedures and practices include those relating to processes for purchasing, resolving and settling disputes and claims; safeguards and controls over assets; and related records management.]</i>	19	Organization has no or <u>highly inadequate</u> procurement policies, procedures and practices.		Organization has less than adequate procurement policies and procedures and practices. In some cases, they are incomplete or otherwise <u>inadequate</u> .		Organization has <u>adequate</u> procurement policies, procedures and practices in place that are generally appropriate given the country conditions. Any minor exceptions are easily remediable.	
8				Staff has not received any or sufficient training in this area. Management has not emphasized the importance of this area.		Organization's procurement policies, procedures and practices are not well known to staff and are <u>not consistently followed</u> . Staff needs additional training, and management needs to emphasize the importance of procurement procedures.		Organization's procurement policies, procedures and practices are known to staff and are <u>generally adhered to</u> .	
9									
10	3.2	Compliance with Policies and Procedures – Reasonableness of Price							
11		Confirm that the organization complies with its own policies and procedures for how determinations of reasonableness are made for purchases and who in the organization is responsible.	21	Organization has <u>no</u> policies and procedures for how determinations of reasonableness are made for purchases and who in the organization is responsible.		Organization has <u>informal</u> policies and procedures for how determinations of reasonableness are made for purchases and who in the organization is responsible.		Organization has <u>adequate</u> policies and procedures that cover competitive procedures, how determinations of reasonableness are to be made, and who is responsible for purchases.	
12				Little or no supporting documentation exists to verify that competitive procedures are used or that determinations of reasonableness are made in an acceptable manner.		Supporting documentation to verify compliance is incomplete or otherwise <u>weak</u> .		Adequate supporting documentation exists to verify compliance.	
13									
14	3.3	Procurement and Sub-awards							

	J	K	L	M	N	O	P	Q	R
5									
6									
7	Organization complete and well documented procurement policies, procedures and practices that are appropriate to the country conditions.		3.50	3.00	4.00				Minimum frequencing of manual review/update not specified in manual.
8	Organization's procurement policies, procedures and practices are known and understood by trained staff and are consistently adhered to, reviewed and updated as necessary.		3.50	3.00	4.00				Desk review score based on limited experience with SEAOHUN to date; need to conduct virtual site visits to confirm if score is appropriate or needs to be revised.
9	Average Score		3.50	3.00	4.00				
10									
11	Organization has well thought out, well documented, and effective policies and procedures that require competitive procedures and dictate how determinations of reasonableness are to be made and specify who is responsible for purchases.		3.25	3.00	3.50				Manual does not include definition or guidance for determining reasonableness
12	Complete and accurate supporting documentation exists to verify compliance.		3.50	3.00	4.00				
13	Average Score		3.38	3.00	3.75				
14									

	A	B	C	D	E	F	G	H	I
15		Confirm that the organization has adequate policies, procedures and practices in place for procurement and sub-award processes using arm's length bargaining.	20	Organization does <u>not</u> have adequate procurement and sub-award management policies, procedures and practices in place.		Organization has <u>incomplete</u> and relatively weak policies and procedure covering sub-grant awards and management.		Organization has <u>adequate</u> policies and procedures that are adequately communicated and generally effective.	
16				There are <u>no</u> effective policies and procedures to prevent or detect conflicts of interest.		Policies, procedures and practices are <u>inappropriate</u> and may lend themselves to potential conflicts of interest and actions that are not in the best interests of the organization.		Employees are expected to avoid conflicts of interests and achieve value for money in this area, by acting in a manner consistent with the best interests of the organization.	
17				Training, mentoring and oversight is negligible.		Formal training in this area is non-existent or <u>weak</u> . .		Employees have been trained and <u>generally</u> follow policies and procedures.	
18									
19	Average Score for PROCUREMENT SYSTEMS								
20									

	J	K	L	M	N	O	P	Q	R
15	Organization has well documented and communicated policies and procedures that are effective in practice, guiding appropriate sub-grant awards and management.		1.00	1.00	1.00				No official subaward management policy exists, though SEAOHUN has established subawards with country OHUN's.
16	Organization's policies, procedures and practices in this area reflect arm's length bargaining principles and avoid the potential for conflicts of interest.		3.50	3.00	4.00				
17	Employees are well trained and consistently follow the organization's policies and procedures.		2.50	2.00	3.00				Confirmed no ethics or COI training provided to employees. New employees get copies of manuals and an orientation.
18	Average Score		2.33	2.00	2.67				
19			3.07						
20									

	A	B	C	D	E	F	G	H	I
1	Capacity and Risk Areas to Review			SCORING					
2			1		2		3		
3			No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award	WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award		ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award		
4				High Risk	Moderate to High Risk		Low to Moderate Risk		
5	IAN RESOURCES SYSTEMS								
6	4.1	Overall HR Policies and Procedures							
7		Confirm that organization has and follows HR policies, procedures and practices. <i>[Note: Depending on the size and needs of the organization, typical HR policies will cover the hiring, promotion and recognition, retention, retirement, compensation and benefits, supervision, transfer and termination of employees.]</i>	22	Organization does not have HR policies, procedures and practices (formal or informal) that satisfy its minimum level of needs and those that do exist are clearly inadequate.		Organization has weak HR policies, procedures and practices that fail to satisfy all of its key needs and are otherwise not adequate.		Organization has HR policies, procedures and practices that meet its needs and are <u>adequate</u>	
8				Organization's approach to hiring, promotion and recognition, retention, retirement, compensation and benefits, supervision, transfer and termination of employees is ad hoc, following no discernible guidelines. Organization has no organizational chart or written job descriptions; no standard benefits / compensation practices; and no discernible policies and practices outlining roles and responsibilities and delegations of authority.		There are <u>serious gaps</u> in the organization's HR policies and practices including those related to the collection, management, use and storage of HR information. Organization lacks a reasonably complete organizational chart, up-to-date written position descriptions, a benefits/ compensation plan, and reasonably adequate policies and practices outlining roles and responsibilities and delegations of authority.		Organization has an organizational chart and written job descriptions; adequate benefits/ compensation practices; and adequate policies and practices outlining roles and responsibilities and delegations of authority.	
9									
10	4.2	Staff Time Management							
11		Confirm that the organization has an established, reliable and documented labor activity system that it enforces (i.e., timesheets).	24	Organization <u>does not</u> have an established and appropriately documented labor activity system.		Organization has <u>weak</u> labor activity policies, procedures and practices.		Organization has an <u>adequate</u> labor activity system that adequately captures, allocates and reports labor time, activities and costs.	
12				Employees do not provide, sign or written timesheets/activity reports that reflect actual time worked on all projects as well as indirect activities.		Timesheets/activity reports are often based on rough <u>estimates</u> of work hours rather than actual, verifiable data.		Employees provide written timesheets/ activity reports that reflect actual time worked on all projects as well as indirect activities.	

	J	K	L	M	N	O	P	Q	R
1									
2	4 (Highest Score)								
3	STRONG CAPACITY No Deficiencies or SW		SCORE	SCORE Based On:				Doc. Ref	REMARKS/ RECOMMENDATIONS
4	Low Risk			Desk Review w	al Site	Obsn.	Test		
5									
6									
7	Organization has comprehensive, well thought out, well documented, and <u>effective</u> HR policies, procedures and practices that meets its needs and reflect best practices.		3.50	3.00	3.50			Org chart , HR manual, written PDs	They exist and are understood. A few grammatical errors and some inconsistencies to be fixed.
8	Strong approaches for retaining competent staff are reviewed by management and modified to ensure effectiveness. Organization has an up-to-date and complete organizational chart and written job descriptions for all key employees; a formal benefits/compensation plan and practices that meet its needs; and sound policies and practices outlining roles and responsibilities and delegations of authority.		3.50	3.00	3.50			Org chart , HR manual, written PDs	Recruiting is a real question, but from a paperwork standpoint, it is all adequate and in place. Nice job descriptions
9	Average Score		3.50						
10									
11	Organization has a strong, comprehensive, well documented, and regularly and consistently used labor activity system that properly captures, allocates and reports labor time, activities and costs.		3.50	2.50	3.50			empl oyee man ual	It's fine, but since there are not diverse funding sources, it's hard to say. Would be good to go digital
12	Employees <u>maintain</u> written timesheets/ activity reports that reflect actual time worked on all projects as well as indirect activities.		3.00	2.00	3.00			empl oyee man ual	This is the claim; no timecards seen. Need to document and codify the process.

	A	B	C	D	E	F	G	H	I
13				Timesheets/activity reports are often based on rough estimates or plug figures.		Timesheets/activity reports are <u>not consistently</u> completed nor verified and approved by supervisors.		Timesheets/activity reports are <u>not consistently</u> signed and approved by supervisors.	
14				Labor costs are distributed among projects based on unreliable estimates.		Labor costs are distributed among projects and indirect activities based on budget estimates or other rough estimates of work hours.		Labor costs are <u>generally</u> distributed among projects and indirect activities based on the data derived from the timesheets/activity reports.	
15				Payment of salaries and wages does not consistently correspond to verifiable information provided by employees.		Payment of salaries and wages does not consistently correspond to verifiable information derived from timesheets/activity reports.		Payment of salaries and wages generally corresponds to the information documented. Errors or omissions are few or not material.	
16									
17	4.3	Payroll System							
18		Confirm that the organization has a payroll system that is adequate for purposes of the award. <i>[Note: The payroll system can be either electronic or hard copy.]</i>	23	Organization <u>does not have</u> a payroll system (either in electronic or hard copy format).		Organization has an <u>incomplete</u> and otherwise weak payroll system.		Organization has an <u>adequate</u> payroll system that meets it key needs.	
19				Organization disburses pay to employees on an irregular basis. Payroll records are incomplete, and are otherwise not reliable.		Payroll records often contain errors. Payroll is infrequently reconciled to the General Ledger.		Payroll is <u>regularly</u> reconciled to the General Ledger.	
20				Payroll is <u>seldom</u> , if ever, reconciled to the General Ledger. Organization has no discernible policy or standard acceptable practices on compensation (salary scales and increases) and benefits for the different types and levels of employees.		Organization has <u>less than an adequate</u> documented and followed policy on compensation (scales and increases) and benefits for the different types and levels of employees.		Organization has and uses an <u>adequate</u> policy on compensation (salary scales and increases) and benefits for the different types and levels of employees.	
21									
22	4.4	Travel Policies and Procedures							
23		Confirm that the organization has and follows appropriate travel policies and procedures.	25	Organization <u>does not have</u> adequate travel policies, procedures and practices.		Organization has <u>incomplete</u> travel policies and procedures.		Organization has travel policies and procedures that are <u>adequate</u> .	
24				Practices are <u>inconsistent</u> and made on an ad hoc basis.		Acceptable travel policies and procedures are <u>not consistently</u> followed in practice by management or other employees.		Travel policies and procedures are <u>generally followed</u> in practice by management or other employees.	

	J	K	L	M	N	O	P	Q	R
13	Timesheets/activity reports are signed/ <u>certified</u> and approved by supervisors.		3.00	2.00	3.00			empl oyee man ual	This is the claim; no timecards seen. Need to document and codify the process.
14	Labor costs are <u>accurately</u> distributed among projects and indirect activities based on the data derived from the timesheets/activity reports.		3.00	3.00	3.00				It's fine, but since there are not diverse funding sources, it's hard to say. Would be good to go digital
15	Payment of salaries and wages corresponds to the information documented in the timesheets/activity reports.		3.00	3.00	3.00			finan ce man ual	All employees are salaried and work in the same office, so it seems far less formal.
16	Average Score		3.10	2.50	3.10				
17									
18	Organization has a well thought out, well documented, and <u>effective</u> payroll system (either in electronic or hard copy format) founded on sound payroll policies and procedures that are consistently followed.		2.00	2.00	2.00			finan ce man ual	Everything is manual, including request to bank to transfer funds to employees
19	Payroll is <u>accurately</u> reconciled to the General Ledger at least monthly.		3.00	3.00	3.00				Confirmed
20	Organization has and uses an <u>appropriate</u> and well documented policy on compensation (salary scales and increases) and benefits for the different types and levels of employees.		3.00	3.00	3.00				Compensation policy is documented, but, again, small company means that policies are not necessarily in place to deal with larger workforce.
21	Average Score		2.67	2.67	2.67				
22									
23	Organization has <u>complete</u> documented travel policies and procedures.		3.00	2.00	3.00				No mention of U.S. Flag Carrier requirements in travel policy or process for obtaining approval for international travel in written travel policy.
24	Management emphasizes the importance of <u>adherence</u> to approved travel policies and leads by example.		4.00	3.00	4.00				

	A	B	C	D	E	F	G	H	I
25				Recordkeeping for compliance and other control and verification purposes is <u>inadequate</u> .		Records to verify compliance are <u>incomplete</u> and otherwise weak.		Records are kept to verify compliance.	
26									
27	Average Score for HUMAN RESOURCES SYSTEMS								

	J	K	L	M	N	O	P	Q	R
25	Travel policies and procedures are understood by staff and are consistently adhered to, reviewed and monitored for compliance.		4.00	3.00	4.00				
26	Average Score		3.67						
27			3.23						

	A	B	C	D	E	F	G	H	I	J
1	Capacity and Risk Areas to Review			SCORING						
2				1		2		3		4 (Highest Score)
3			No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award		WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award		ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award		STRONG CAPACITY No Deficiencies or SW
4				High Risk		Moderate to High Risk		Low to Moderate Risk		Low Risk

	K	L	M	N	O	P	Q	R	S
1									
2									
3			SCORE Based On:				Doc. Ref	Rationale	Recommendation
4		SCORE	Desk Review	Inquiry	Obsn.	Test			

	A	B	C	D	E	F	G	H	I	J
5	Fifth Criterion: PROGRAM PERFORMANCE MANAGEMENT									
6	5.1	Technical Evaluation Criteria								
7	5.2	Project Management Capacity								
8		Confirm that the organization has adequate capacity to manage and monitor projects with little donor guidance or intervention.	27	Organization has an <u>inadequate</u> project management system.		Organization has a <u>weak</u> project management system for monitoring progress on projects. Organization's project management policies, procedures and practices are weak. Organization produces reasonably adequate project management reports.		Organization has an <u>adequate</u> project management system in place to monitor progress on projects on a regular basis. Organization's project management policies and procedures are generally followed. Organization produces adequate project management reports on a fairly regular basis.		Organization has a <u>comprehensive</u> and well documented project management system in place to monitor progress on projects on a regular basis. Organization consistently produces useful project management reports.
9				Organization <u>does not have</u> sufficiently qualified project management personnel.		Organization has an <u>incomplete</u> project management manual that is seldom used. Organization has too few qualified project managers for its overall purposes.		Organization has an adequate project management manual that is generally followed. Organization has an adequate number of qualified project managers.		Organization has a <u>comprehensive</u> project management manual that informs and guides actual performance. Organization has a sufficient number of qualified project managers to meet its needs and the capacity to obtain additional qualified personnel as needed.
10										Average Score
11	Average Score for PROJECT PERFORMANCE MANAGEMENT									
12										

	K	L	M	N	O	P	Q	R	S
5									
6									
7									
8		2.00	2.00	2			<p>1. M&E templates (Activity report, activity tracker); 2. LMI LAOHUN materials; 3. Organizational chart; 4. Folder- Organization's written policies; 5. Organizational development assessments (2017 letter to Exec Board, UMN- Radius report, SEAOHUN -Innovance Report); 6. Innovance Strategic Plan; 7. 2018 annual report; 8. SEAOHUN website; 9. Y1 OHW-NG workplan; 10. Virtual site visit discussion on project management</p>	<p>1. The Secretariat has managed select regional activities, without evidence of deficiency, with the Executive Director and Operations Manager responsible for all aspects of the project management cycle. (Note, the sub-award to THOHUN did not include project management) 2. There is no documented project management system. 3. Project reporting for these activities was completed through qualitative narratives (reports/ case studies), which are professional and thorough. 4. Previous work planning and oversight of OHUN activities was managed directly by USAID prime partner with OHUNs, with no engagement by SEAOHUN, so neither project management nor tracking of standard M&E indicators across the region was conducted by the Secretariat. 5. There is no M&E officer presently. 6. There is now an "activity tracker", "participant roster" and "activity report" system with templates created by UC-Davis that the Secretariat will use to track OHUN project activities (initiation, completion, status). 7. Project planning for OHUN activities this year was organized by OHW-NG prime partner, UC-Davis.</p>	<p>Project management and reporting responsibilities will increase substantially with the new sub-award management system; this should be guided by a more formal project management system to ensure quality and consistency, to include a simple project management system.</p>
9		2.50	2.00	2.5			<p>1. Organizational chart; 2. Virtual site visit discussion on project management</p>	<p>1. The Executive Director and Operations Manager are effective managers, however they have many other responsibilities which may impede their ability to effectively manage all new OHUN activities. 2. The Secretariat recruited a project manager in 2020, but the person vacated the position within 1 month. 3. A new project manager and a project officer have been recruited and are being onboarded presently, which should significantly augment project management capability. 4. There is no project management manual or project management training offered. 6. Project reporting for Secretariat activities (and now OHUN reporting) is managed by the Executive Director, which is not optimal due to his many other responsibilities.</p>	<p>Training in project management for all project managers would be helpful, as would be a documented set of standard project management duties.</p>
10	ore	2.25							
11	NT	2.25							
12									

	A	B	C	D	E	F	G	H	I	J
13	-----									

	A	B	C	D	E	F	G	H	I	J
1	Capacity and Risk Areas to Review			SCORING						
2				1		2		3		4 (Highest Score)
3			No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award		WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award		ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award		STRONG CAPACITY No Deficiencies or SW
4				High Risk		Moderate to High Risk		Low to Moderate Risk		Low Risk

	K	L	M	N	O	P	Q	R	S
1									
2									
3			SCORE Based On:				Doc. Ref	RATIONALE	RECOMMENDATIONS
4		SCORE	Desk Review	Inquiry	Obsn.	Test			

	A	B	C	D	E	F	G	H	I	J
5	Sixth Criterion: ORGANIZATIONAL SUSTAINABILITY									
6	6.1	Cash Flow Management								
7		Confirm the organization demonstrates good discipline in developing, monitoring and using cash flow budgets effectively and in actually managing its cash and payables in a responsible manner.	29	Organization has <u>no or little</u> history of developing, monitoring and using cash flow budgets .	Organization has <u>weak</u> discipline in developing and monitoring and using cash flow budgets.	Organization has <u>adequate</u> discipline in developing and monitoring and using cash flow budgets.	Organization has <u>good</u> discipline in developing, monitoring and using cash flow budgets.			
8		<i>Consider performing a few ratios to determine the strength and the sustainability of a for-profit organization. For instance, these may be appropriate: current ratio, acid test ratio, defensive interval or working capital.</i>		Organization has <u>inadequate</u> capacity to develop, monitor, update and use comprehensive cash flow projections.	Management is <u>not adequately</u> involved with finance personnel in daily or weekly cash flow management.	Management is <u>adequately</u> involved with finance personnel in daily or weekly cash flow management.	Management is <u>actively</u> involved with finance personnel in daily cash flow management.			
9				Due to poor cash management practices and weak results of operation, payments to creditors and/or employee are often late and remain past due well beyond the terms of payment.	Often, payments are not made on time due to fluctuations in cash inflow and outflow and weak cash management practices.	Organization has a <u>reasonably satisfactory</u> history of making payments to creditors and employees on time. There are <u>no</u> material past due accounts (singly or in the aggregate).	Organization has a <u>good</u> history of making payments to creditors and employees on time.			
10				There are <u>material</u> past due accounts, that are seriously delinquent. There are unliquidated advances over 1 yr.	There are no unliquidated advances over 90 days.	There are no unliquidated advances over 60 days.	There are <u>no</u> material past due accounts (singly or in the aggregate). These include long outstanding advances.			
11										Average Score
12	6.2	Absorptive Capacity								

	K	L	M	N	O	P	Q	R	S
5									
6									
7		2.00	NA	2.00			1. Virtual site interview with Vipat (Executive Director), Ratsuda (Operations Manager) and Nichapha (Finance Officer).	SEAOHUN does not develop CF budgets. There is a monthly projection of the cash outflow and the account balance is controlled accordingly.	We recommend SEAOHUN to develop, monitor and use of CF budgets.
8		3.00	NA	3.00			1. Virtual site interview with Vipat (Executive Director), Ratsuda (Operations Manager) and Nichapha (Finance Officer).	1. Management reviews CF estimates and approves expenses on a monthly basis. 2. In case of delay in receiving the funds, VIPAT approves the use of another account to cover activities and payments. The borrowed amount is paid back when SEAOHUN receives the funds.	SEAOHUN's management seem to be adequately involved in CF management.
9		3.50	3.50	3.50			1. Virtual site interview with Vipat (Executive Director), Ratsuda (Operations Manager) and Nichapha (Finance Officer). 2. Audit reports 2016 - 2019.	1. Good history of payments to creditors & employees. 2. Sporadic slight delays in payments to creditors may occur if Vipat is traveling. 3. Whenever there is a delay in receiving funds from donors, SEAOHUN uses another account so that payments are not delayed. 4. No delays in payment of salaries.	
10		3.50	3.50	3.50			1. Virtual site interview with Vipat (Executive Director), Ratsuda (Operations Manager) and Nichapha (Finance Officer). 2. Audit reports 2016 - 2019.	1. No material past due accounts as of today confirmed by Vipat and Ratsuda.	
11		3.00							
12									

	A	B	C	D	E	F	G	H	I	J
		Confirm that the organization has adequate absorptive capacity (i.e., can rise to the level of effort required to implement an additional project).	28	Organization <u>does not have</u> capacity to absorb the level of effort required to implement an additional project/activity.		Organization's absorptive capacity is <u>weak</u> for purposes of the award (i.e., the organization may be hard pressed to rise to the level of effort required to take on an additional project/activity).		Organization's absorptive capacity is <u>adequate</u> . Given its resources and ability to obtain additional resources, organization has adequate capacity to absorb the level of effort required.		Organization's absorptive capacity is <u>more than adequate</u> . Given its resources, organization has the capacity to absorb the level of effort required to implement an additional project/activity.
13										
14										Score
15	Average Score for ORGANIZATIONAL SUSTAINABILITY									
16	TOTAL OVERALL AVE. SCORE									
17										
18										
19										

	K	L	M	N	O	P	Q	R	S
			1.00	2			1. Organizational chart; 2. Organizational development assessments (2017 letter to Exec Board, UMN- Radius report, SEAOHUN - Innovance Report); 3. Audits 2017-2019; 4. 2018 annual report; 5. Y1 OHW-NG workplan; 6. Virtual site visit discussion on absorptive capacity	1. Positive factors of absorptive capacity include rapid scale-up of funds absorption and project execution between 2017 and 2018 (from \$604,888 in 2017 to \$918047 in 2018, per the annual reports), which include two new donors (KOICA and Department of State). 2. However, these activities and donor relationships were not continued, so growth was not realized. SEAOHUN faces chronic and severe challenges to recruit and retain staff, resulting in long vacancies and frequent turn-over, which was cited as a major barrier to absorptive capacity. 3. Two new staff have been hired, which does promise additional capacity to manage new OHW-NG activities (including at the OHUN level). However, if these staff are not retained, then the organization falls back to just four staff to absorb all programmatic, operational, and financial responsibilities involved in the regional network mandate, which is not sufficient for quality growth. 4. Presently, the Executive Director and Operations Manager have shared that, due to their high work load on operational tasks, they are unable to dedicate time necessary to mobilize new resources or partnerships, which are vital for quality growth. 5. M&E information is not used in a systematic fashion to improve quality of program offerings or program implementation.	for SEAOHUN to begin to formalize the delegation of operational responsibilities to new staff, equip them with the necessary skills, and expand the role of the organization's leadership to more strategic tasks of vision-setting, policy direction, resource mobilization, and partnership development, which can guide quality growth. Specific recommendations include: 1. Formalize delegation of project management duties to incoming project management staff. 2. Dedicate an explicit portion of a staff person(s) to resource mobilization & partnership development, and develop strategies to guide work (or hire new 'surge' staff). 3. Work with OHW-NG to utilize M&E data for improved program quality & planning. 4. Conduct exit interviews with departing staff to better understand the turn-over issue and monitor
13									
14		2.00							
15	TY	2.50							
16	RE	2.71							
17									
18									
19									

	A	B	C	D	E	F
1	Appendix C – NUPAS Report Table					
2						
3	Name of Organization:	SEAOHUN				
4	Proposed Activity/Amount:	TBD				
5	Survey Conducted by:	OWH-NG Objective 3 Global Team				
6						
7						
8	No.	Criterion	Average score			
9		1 Legal Structure	2.25			
10		2 Financial Management and Internal Control Systems	2.96			
11		3 Procurement Systems	3.07			
12		4 Human Resources Systems	3.23			
13		5 Project Performance Management	2.25			
14		6 Organization Sustainability	2.50			
15		Overall Average Score	2.71			
16						
17						
18	1. Legal Structure					
19	Risk Areas Reviewed	Observations and Findings	Score			
20	1.1 Local Organization Definition	N/A	N/A			
21	1.2 Legal Requirements	<p>SEAOHUN Foundation is legally registered under the laws of Thailand, but it is not fully compliant with tax and labor laws, or there is doubt as to its level of compliance. Although SEAOHUN's Executive Board is comprised of representatives from universities in the network, the decision-making authority for SEAOHUN is legally vested with the Foundation Board, comprised of all Thai nationals. There is no clear written or uniformly understood process for selecting the Thai nationals on the Foundation Board. Any decision by the Foundation Board to act in contravention of the Executive Board's decisions would be the legally respected one under Thai law. The original structure, which has non-Thais without work permits as Foundation Board members, exposed SEAOHUN to penalties up to ฿20,000 for unauthorized work and caused SEAOHUN to be blacklisted from employing foreigners in the future.</p> <p>There is a need for the Foundation Board to have a dedicated team to analyze, verify, and report annual statements and tax documents to Thai authorities. According to its 2018 audit, NB Accounting stated that the "financial statements of SEAOHUN Foundation for the year ended December 31, 2017 were audited by another auditor who expressed an unqualified opinion on those statements on February 25, 2018". (p. 1).</p> <p>The Employee Manual has been updated to include statements on equal employment opportunity and whistleblower provisions, but still lacks and Alcohol and Drug Use at Work provision.</p>	3			

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	A	B	C	D	E	F
22	1.3 Organizational Structure	<p>The organizational structure of SEAOHUN poses challenges to fulfilling its mission or vision. The regional entity is officially registered as a Foundation in Thailand (from August, 2014). It has two governing Boards - an Executive Board and a Foundation Board - and its secretariat office located at the Faculty of Veterinary Medicine, Chiang Mai University. The Executive Board is comprised of representatives from member universities, two from each country. Until approval is given by higher Thai authorities (check December 2019 document), the Foundation Board is comprised of 4 members – one from each founding country. The Foundation Board is necessary for the secretariat's legal status and requirements in Thailand. The terms of Foundation Board members is 4 years, while the terms of Executive Board members is 2 years, with a possibility for a renewal for one year.</p> <p>Separately, there are country OHUNs, each of which has its own governance structure and none of which have a formalized mechanism for coordination and communication with SEAOHUN. Further, each country network has a National Coordinating Office (NCO) and Project Management Unit based in its country with its own governance and operating structure. There is no guarantee or formalized mechanism by which Coordinators are accountable for implementing the regional strategies set by the SEAOHUN Executive Board, or that the OHUN Chairpersons will represent the regional interests of their OHUNs to the SEAOHUN Board.</p> <p>Collaboration between the Secretariat and the OHUNs is limited due to a previous funding and reporting structure whereby OHUN NCOs engaged directly with the donor's prime contractor without having to significantly interact with the SEAOHUN Secretariat. This lack of interaction between the Secretariat and the OHUNs has resulted in reduced knowledge of what OHUNs do and to represent in regards to SEAOHUN as well as little communication across the OHUNs. These lack of coordination across actors results in poor activity coordination including fundraising, and coordinated activity implementation among others.</p>	2.00			
23	1.4 Governance	<p>The fiduciary responsibilities of each level of board governance requires more clarity. SEAOHUN Executive Board members are fiduciaries for the regional organization/entity in addition, if applicable, to their OHUN boards. SEAOHUN's governance structure has important inconsistencies with the OECD Principles of Corporate Governance specified for reference in the NUPAS survey: right and equitable treatment of stakeholders, role and responsibility of the board, integrity and ethical behavior, disclosure and transparency.</p> <p>OECD Principle VI.D.1. The board holds responsibility for reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</p> <p>The SEAOHUN Board has responsibility for reviewing and guiding policy and planning, but its constituent members are not always committed to the success of the regional entity and some board members send alternates who do not demonstrate a clear commitment to the regional organization's success. Country OHUNs have largely operated outside the SEAOHUN structure, so it does not have the powers suggested in VI.D.1.</p> <p>OECD Principle VI.D.2. Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management.</p> <p>Turnover of executive secretariat members is high, and it affect its ability to monitor activities. The board does not have dedicated committees to continuous review of its internal structure, and many of the lines of accountability are outside of its control and reach, for example the activities of its member OHUNs.</p> <p>The primary executive is the Executive Director, although a Deputy Director has been proposed so that the ED may focus on expansion and fundraising. The Executive Director was only recently empowered by the Executive Board, and those authorities were adopted in board minutes. They are not codified in the Articles of Association, By-Laws, or Employee manual, making succession planning difficult.</p> <p>It does not appear that OECD Principle VI.D.5. is codified, and impliedly the Executive Board members are chosen/selected through the processes by which deans or academic "heads" are chosen within their participating university networks or OHUNs. This process is neither formal nor transparent. Nor is the selection process for Thai members of the Foundation Board.</p> <p>Executive Board and Foundation Board members don't always brief their NCO Coordinators or donors on the decisions, rationale, implications, and next steps of board decisions. The minutes of board meetings aren't circulated beyond the Board members themselves. Regional strategies or activities decided upon in the various boards aren't always clear or aren't communicated clearly to NCO and OHUN stakeholders. Some board members have been perceived to have over-reached their authority or have made decisions in ways that are viewed as conflicts of interest. Signed conflict of interest declarations are not collected from all Board members, and the conflict of interest provisions of the Employee Manual</p>	2.00			

	A	B	C	D	E	F
24	1.5 Control Environment	SEAOHUN has several fiduciary risk controls covering board members, officers and employees. These controls include situations where there are general and specific conflicts of interest and expected fiduciary behavior on the part of employees and Board of Directors. The Operations Manager and Administrative Officer shall assure that the procurement manual is understood by relevant staff members. Procurement Manual shall be reviewed/ updated by the Operations Manager and Finance Unit from time to time, to ensure that the internal control systems are in place and enforced at all times."	2.00			
25		There is widespread confusion, even among board members, as to roles and responsibilities of Executive Board and Foundation Board (the bodies as well as individual board members). Furthermore, the existence of two boards has led to situations where one board has overreached its authority. This challenge limits SEAOHUN's status as a self-governing network. Root causes of this challenge include:				
26		1. The roles of each Board not clearly defined or differentiated in the by-laws clearly enough for board members to uniformly comply with the by-laws 2. There is no standard on-boarding or orientation process for new board members 3. University rectors/presidents don't always appoint Board members that are actively interested in One Health, willing to and have time to fully execute their Board roles throughout their entire tenure, or lack some capabilities (knowledge, skills, relationships, knowledge of One Health) or credibility necessary to do their Board roles. Some board members regularly send alternates to attend board meetings, and the alternates are not always qualified or effective in their role. Even when they are, frequently sending alternatives causes discontinuity in leadership. 4. The board lacks people with professional management capability or perspective, especially those from the private sector. As mentioned under Legal Requirements, there have been difficulties with auditors, and there is poor oversight of the auditing function.				
27	2. Financial Management and Internal Control Systems					
28	Risk Areas Reviewed	Observations and Findings	Score			
29	2.1 Banking Relationship and Accounts	Secretariat reported delay in setting up a USD account. New USD account still pending due to inability to travel and need for chairman to be physically at the bank to complete the process. Does not seem to be negatively impacting project implementation, but creates difficulty in exchange rates. Finance manual does not address required actions for outstanding items or the timeline for these actions.	3.08			
30	2.2 Accounting/Bookkeeping system	Transactions entered into Quickbooks once per week. Receive bank book once per week and reconciles in Excel. No functionality to automatically reconcile. Need to improve the current system.	2.00			
31	2.3 Chart of Accounts, General Ledger and Financial Statements	It is clearly laid out. System is easy to understand, logical implementation. we are not clear as to whether the numbering system follows statutory country requirements. Audit firm seems fine with the existing format, but it would be good if the accountant knew why it was numbered as is. Taking into consideration the obvious translation limitations, it is clear that the systems and processes in place are adequate to the challenge and running well.	3.46			
32	2.4 Variance Analysis (Budget to Actual Costs)	No written policy regarding variance analysis for budget versus actual. Review approved budgets and remaining balances when approving purchases or other expenses, but no higher-level variance analysis taking place at this moment..	2.00			
33						
34	2.5 Allowable and Unallowable Cost	Examples of unallowable costs are identified in financial manual, but there is no reference to the Uniform Guidance (only somewhat vague references to sponsor requirements) or how to identify, track, communicate, and correct unallowable costs that are applied to project funds in error.	3.00			
35	2.6 Direct and Indirect Costs	Training is recommended to improve on accounting and monitoring capabilities	2.50			
36	2.7 Payments – Segregation of Duties	No recommendations as the system is working properly and separation of duties is being observed	4.00			
37	2.8 Accounting Cycle	No recommendations as the system is working properly.	4.00			

	A	B	C	D	E	F
38	2.9 Financial Records Management	Locks needed to ensure safe physical document keeping. Written policy for records retention exists, but computer backups needed. Quickbooks desktop is used, and it's backed-up as often as a regular office computer. This is unlikely to be enough.	2.75			
39	2.10 Sources of Funding	Seems to be adequate combination of paper records, etc.; however, there is no formal procedure in place. Business development is not a priority currently.	2.75			
40	2.11 Financial Reporting	Current system seems adequate and working.	4.00			
41	2.12 Audit and Review of Financial Statements	Hiring of an international auditing firm, instead of a local firm, is desirable.	2.94			
42	2.13 Financial Management Personnel	Accounting staff have strong qualifications (education, experience) to meet the needs of SEAOHUN. Operations Manager in particularly identified as having strong abilities to apply concepts and principles of practice, however the need for targeted capacity building (subawards management) has been identified but does not impact current assessment of SEAOHUN Secretariat.	3.75			
43						
44	3. Procurement Systems					
45	Risk Areas Reviewed	Observations and Findings	Score			
46	3.1 Procurement Policies, Procedures and Practices	Minimum frequencing of manual review/update not specified in manual. Desk review score based on limited experience and interaction with SEAOHUN to date; need to conduct virtual site visits to confirm if score is appropriate or needs to be revised.	3.50			
47	3.2 Compliance with Policies and Procedures – Reasonableness of Price	Manual does not include definition or guidance for determining reasonableness	3.38			
48	3.3 Procurement and Sub-awards	No official subaward management policy exists, though SEAOHUN has established subawards with country OHUN's. Corrective action is needed. Confirmed no ethics or COI training provided to employees. New employees get copies of manuals and an orientation.	2.33			
49						
50						
51	4. Human Resources Systems					
52	Risk Areas Reviewed	Observations and Findings	Score			
53	4.1 Overall HR Policies and Procedures	HR policies are well established, clearly understdoo. A few grammatical errors and some inconsistencies to be fixed. Recruiting procedures provide unclear overall process, but from a paperwork standpoint, it is all adequate and in place. Job descriptions are clear, accurate as to expected tasks.	3.50			
54	4.2 Staff Time Management	System is in working order, difficult to assess because there are not diverse funding sources. Conversion to digital would be ideal. We did not verify time cards. The process needs to be codified and documented.	3.10			
55	4.3 Payroll System	System is entirely manual, including request to bank to transfer funds to employees. Compensation policy is documented, small company set up means that policies are not necessarily in place to deal with larger workfoce.	2.67			
56	4.4 Travel Policies and Procedures	No mention of U.S. Flag Carrier requirements in travel policy or process for obtaining approval for international travel in written travel policy.	3.67			
57						
58	5. Project Performance Management					
59	Risk Areas Reviewed	Observations and Findings	Score			
60	5.1 Technical Evaluation Criteria	N/A	N/A			
61						

	A	B	C	D	E	F
62	5.2 Project Management Capacity	The Secretariat has managed select regional activities, without evidence of deficiency, with the Executive Director and Operations Manager responsible for all aspects of the project management cycle. We did not find documented project management system. Project reporting was completed through qualitative narratives (reports/ case studies), which are professional and thorough. There is no M&E officer presently. There is now an "activity tracker", "participant roster" and "activity report" system with templates created by UC-Davis that the Secretariat will use to track OHUN project activities). The Executive Director and Operations Manager are effective managers, however they have many other responsibilities which may impede their ability to effectively manage all new OHUN activities. A new project manager and a project officer have been recruited and are being onboarded presently, which should significantly augment project management capability. There is no project management manual or project management training offered.	2.25			
63						
64	6. Organizational Sustainability					
65	Risk Areas Reviewed	Observations and Findings	Score			
66	6.1 Cash Flow Management	SEAOHUN does not develop CF budgets - there is a monthly projection of the cash outflow and the account balance is controlled accordingly. Management reviews CF estimates and approves expenses on a monthly basis. In case of cash shortfalls (delay in receiving funds), management approves the use of another account to cover activities and payments. Good history of payments to creditors and employees. Sporadic slight delays in payments to creditors may occur due to traveling. No delays in payment of salaries. No material past due accounts as of today.	3			
67						
68	6.2 Absorptive Capacity	To guide quality growth of SEAOHUN over time, it is recommended that: Formalize delegation of project management duties to incoming project management staff. Dedicate an explicit portion of a staff person(s) to resource mobilization & partnership development, and develop strategies to guide work (or hire new 'surge' staff). Work with OHW-NG to utilize M&E data for improved program quality & planning. Conduct exit interviews with departing staff to better understand the turn-over issue and monitor recruitment timelines to understand ability to hire (interviewer should not be supervisor)	2.00			